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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91201703
Party	Defendant Istituto Italiano Sicurezza dei Giocattoli S.r.l.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MICHAEL BRANDT FAMILY TRUST
d/b/a ECO-SAFE OF DALLAS,

Opposer,

v.

ISTITUTO ITALIANO SICUREZZA
DEI GIOCATTOLI S.R.L.

Opposition No. 91201703

Application No. 77960950

Mark: ECO-SAFE

**APPLICANT’S OPPOSITION TO
OPPOSER’S MOTION FOR JUDGMENT ON THE PLEADINGS, *and***

APPLICANT’S CROSS-MOTION TO DISMISS OPPOSER’S FRAUD CLAIM, *and*

APPLICANT’S CROSS-MOTION FOR SANCTIONS

Applicant Istituto Italiano Sicurezza Dei Giocattoli S.R.L. (“Applicant” or “IISG”) opposes Opposer Michael Brandt Family Trust’s (“Opposer” or “MBFT”)’s Motion for Judgment on the Pleadings on the grounds that it (1) is untimely, (2) is frivolous in that the pleadings do not even address two of the four elements of fraud, and (3) asks for judgment on a fraud claim that should itself be dismissed on the pleadings. Based on this third ground, Applicant also cross-moves to dismiss Opposer’s fraud claim.

Applicant also cross-moves for sanctions against Opposer in light of Opposer’s demonstrated and continued willingness to make multiple frivolous, disruptive, and harassing filings, most recently its Motion for Judgment on the Pleadings, addressed herein, and its separately filed Motion to Dismiss Applicant’s Counterclaim, which Applicant addresses in a separate opposition brief. In the hopes of preventing additional frivolous filings by Opposer in

the future, Applicant requests sanctions in the form of an order requiring Opposer to meet and confer with Applicant and seek leave from the Board before filing any further motions in this action.

I. Opposer's Motion Should Be Denied As Untimely Under Rule 12(c) Because, Contrary to Opposer's Statement In Its Motion, The Pleadings Are Not "Closed"

Opposer's Motion for Judgment on the Pleadings is untimely and should be denied in total on that basis. Federal Rule of Civil Procedure 12(c) provides that a party may move for judgment on the pleading only "[a]fter the pleadings are closed." "Pleadings" are defined in Fed. R. Civ. P. 7(a). The pleadings are "closed" when no further pleading as listed in Rule 7(a) will be filed. In short, the pleadings are closed when a complaint, an answer to the complaint, any counterclaims **and answers**, third-party complaints and answers, and any reply to an answer if ordered, are filed. Fed. R. Civ. P. 7(a).

The "pleadings" in this case are not closed because Applicant has filed a counterclaim, which requires an answer, and Opposer has not yet filed an answer. Only when Opposer files an answer to Applicant's counterclaim can the "pleadings" as defined in Rule 7(a) be considered closed. Although Opposer has filed a motion to dismiss Applicant's counterclaim, this motion is not an "answer" and therefore is not a pleading under Rules 7(a) and 12(c).

Rule 12(c), in combination with Rule 7(a), are clear regarding the timeliness of a motion for judgment on the pleadings, as is relevant case law: *see e.g. Flora v. Home Federal Sav. and Loan Ass'n*, 685 F.2d 209, 211 n.4 (7th Cir. 1982) ("In a case such as this when, in addition to an answer, a counterclaim is pleaded, the pleadings are closed when the plaintiff serves his reply."); *Shield Techs. Corp. v. Paradigm Positioning, LLC*, 908 F. Supp. 2d 914, 917 (N.D. Ill. 2012) ("Unless the court orders a reply to an answer or third-party answer, the pleadings close

after the last of the following pleadings in the case has been filed: answer, reply to a counterclaim, answer to a crossclaim, and third-party answer."); *T.D. Bank, N.A. v. JP Morgan Chase Bank, N.A.*, 2010 U.S. Dist. LEXIS 109471 (E.D.N.Y. Oct. 14, 2010) ("When cross- and counterclaims are filed, pleadings are not closed until answers to those claims have been filed." (citing *Johns-Manville Corp. v. United States*, 12 Cl. Ct. 1 (Cl. Ct. 1987) (discussing counterclaims))); *Signature Combs, Inc. v. United States*, 253 F. Supp. 2d 1028 (W.D. Tenn. 2003) ("Pleadings are deemed 'closed' upon the filing of a complaint and answer, unless a counterclaim, cross-claim, or third-party claim is interposed, in which case the filing of a reply, cross-claim, or third-party answer will mark the close of the pleadings.); *Palmer v. City of Monticello*, 731 F. Supp. 1503, 1506 (D. Utah 1990) ("Rule 7(a) establishes when the pleadings are closed. The filing of an answer usually signals the close of pleadings, unless the answer contains a counterclaim or a cross claim."); see also, *Doe v. United States*, 419 F.3d 1058, 1061 (9th Cir. 2005) ("[T]he pleadings are closed for the purposes of Rule 12(c) once a complaint and answer have been filed, assuming, as is the case here, that no counterclaim or cross-claim is made.").¹

Applicant notes that Opposer's Motion for Judgment on the Pleadings is not a motion for summary judgment and should not be treated as a motion for summary judgment under Rule 12(d) because it does not submit any matters outside the pleadings. *International Telephone and Telegraph Corp. v. International Mobile Machines Corp.*, 218 USPQ 1024, 1026 (TTAB 1983) (because no matters outside the pleading were included with the motion, it was treated as a motion for judgment on the pleadings, not summary judgment); *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 646 (Fed. Cir. 1983) (Board erred in treating

¹ Some of these cases refer to an "answer" to a counterclaim as a "reply." However, even in such cases, it is clear that "reply" is not meant to mean either an answer or some motion, but is instead meant to mean an "answer."

motion to dismiss as motion for summary judgment without notifying nonmoving party).

Opposer's motion is truly and merely a motion for judgment on the pleadings because it relies solely on the pleadings in this case, and it is categorically untimely.

II. Opposer Is Not Entitled To Judgment On the Pleadings On Its Fraud Claim

If the Board considers Opposer's Motion for Judgment on the Pleadings despite its untimeliness, all inferences must be drawn in favor of Applicant. *Kraft Group LLC v. Harpole*, 90 USPQ2d 1837, 1840 (TTAB 2009).

In order to prove fraud a showing of the following four elements is required:

- (1) applicant/registrant made a false representation to the USPTO;
- (2) the false representation is material to the registrability of the mark;
- (3) applicant/registrant had **knowledge of the falsity** of the representation; and
- (4) applicant/registrant made the representation **with intent to deceive** the USPTO.

In re Bose Corp., 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). Opposer has nothing to offer regarding either element 3 or 4. No inferences against Applicant regarding these elements are allowed in the context of this motion (and none would be warranted under the facts in the context of trial).

The Board, citing *Bose* and various other cases, recently reviewed the law related to the knowledge and intent elements in *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc. dba Watermark Cruises*, 107 USPQ2d 1750 (TTAB 2013):

A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. Indeed, the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party. As emphasized in *Bose*: Subjective intent to deceive, however difficult it may be to prove, is an indispensable

element in the analysis. Of course, because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.

...

Absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation.

...

The involved conduct, viewed in light of all the evidence... must indicate sufficient culpability to require a finding of intent to deceive.

...

Indeed, there is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive.

Id. at pages 49-57 (citations and quotations marks removed).

None of Applicant's responses in its Answer to Opposer's Second Amended Notice of Opposition address whether or not Applicant acted (1) knowingly or (2) with intent to deceive the USPTO, rather than under a mistaken belief regarding the nature or administrative classification of its mark as a certification mark, and the specific way in which it was proper to identify the goods which it intended to certify through use of its certification mark.

The pleadings, with all inferences to Applicant, do not present the required clear and convincing evidence that Applicant knew of any false statement or that any false statement was the result of a fraudulent intent rather than misunderstanding regarding the classification of the nature of the mark at issue and regarding where and how in the application the certified goods are to be listed. Without more, the Board has not found fraudulent intent simply based on such mistakes or oversights.

In fact, it *is* proper to list the goods that a certification mark is intended to certify. Most certification marks do list, on the face of the registration, the goods that a certification mark is intended to certify, either in the identification of goods and services field or in the certification

statement field, or in both fields. Certification marks for goods are classified as Class “A”, but, nonetheless, the goods that are being certified are generally listed on the face of the registration in some manner. The remarkable lack of consistency with which certification marks list the goods underscores the uncertainties in both the application and examination process for certification marks. Applicant’s mistake was primarily in the administrative classification of the nature of the mark and *way in which* the mark is used with the goods Applicant identified in its application.

III. Cross-Motion For Cancellation of Opposer’s Fraud Claim

Applicant cross-moved to dismiss Opposer’s fraud claim on the basis that the pleadings evidence that it is impossible for Opposer to prove fraud. The pleadings show that nothing was concealed from the examiner and that, to the contrary, the examiner knew or should have known that Applicant’s mark is a certification mark, and yet failed to make the proper administrative classification or apply the proper examination standards.

The file of Applicant’s application at issue here is automatically considered part of the record of this proceeding “without any action by the parties and reference may be made to the file for any relevant and competent purpose.” 37 CFR § 2.122; *see also* TBMP 704.03.

Accordingly, reference to Applicant’s application file is not going outside the pleadings.

The content of the application file is probative of (1) whether or not anything was concealed from the examiner, (2) whether or not the examiner was or should have been put on notice that Applicant’s mark functions as a certification mark, and (3) whether or not the examiner did in fact acknowledge and understand that applicant’s mark was intended to be

applied to the goods of others to indicate certification by Applicant, i.e. that the mark was being used in connection with the listed goods in the manner of a certification mark.

The application file shows that it is based on a European Community application. The examining attorney was or should have been aware that the OHIM trademark registration system does not make any distinctions between a regular mark and a certifications mark, i.e. there is no certification mark classification in the OHIM system such that, even if Applicant's mark is considered a certification mark under US law, this was not have been reflected in any administrative classification in the OHIM registration.

The application mirrored the foreign registration in that it listed many very specific products, mostly textile products, in several different classes. It also identified a single service in a general manner as follows: "Testing, analysis and evaluation of the goods and services **of others for the purpose of certification.**" (emphasis added). Following objections by the examiner, Applicant narrowed this to, "Testing, analysis and evaluation of the goods and services of others for the purpose of certification, all the aforesaid services related to above mentioned lists of products belonging to classes 22, 23, 24, 25, and 27", and narrowed it further to, "Testing, analysis and evaluation of the textile products of others and toys of others for the purpose of certification."

Throughout the examination process, the examiner was aware that Applicant was in the business of certifying the good of others, and that Applicant's marks were applied to the goods of others to indicate certification by Applicant. In the first Office Action, dated June 6, 2010, the examiner discussed the relationship between the goods and services cited in the application, and identified a third party website that referred to Applicant's certification marks. The examiner stated:

In this case, applicant's services are identified broadly. Therefore, it is presumed that the application encompasses all services of the type described, including testing of those goods and services identified in each of the registrant's more specific identification. **Please see the attached excerpt retrieved from the Internet on June 26, 2010 as evidence that applicant's marks are used in conjunction with products to show a product was tested and meets a certification standard.**

Office Action dated June 6, 2010 (emphasis added). The web page identified by the examiner and included in the file is from a third party toy manufacturer, wherein the third party toy manufacturer states that it contracts with Applicant (the Italian Institute for Toy Safety) to certify its toys and for the right to apply Applicant's mark to its toys:

The screenshot shows the Grani & Partners website. The header includes the company logo and several award medals. The left sidebar contains navigation links such as 'Home', 'Grani & Partners Group', 'Group companies', 'Brands & Division', 'Total quality', 'Fact sheet', 'Product catalogue', 'Licensing', 'Sponsorship', 'News', 'Giochi Preziosi Group', 'Contact Us', and 'Map and guide'. The main content area is titled 'Safe toys' and contains the following text:

Product safety is of critical importance to the Group and ensuring our products meet Community Directive standard requirements for toy safety remains one of our key objectives.

The main consumers of our products are young boys and girls, who of course qualify for particular care and protection. For this reason, comprehensive checks are performed at every stage of production to ensure optimal safety standards for the end product.

To reinforce our reputation, Grani & Partners commits €350,000 annually to carry out all necessary safety tests and rigorously controlling all processes throughout each production phase.

Not satisfied with maintaining Community standards, Grani & Partners also:

- obtains the certification "CE" for all products
- ensures all products are accorded the "Giocattoli Sicuri" ("Safe Toys") mark by the Italian Institute for Toy Safety

CE certification offers additional value to a product, having required it to have passed a further range of safety tests conducted throughout the planning and production phases in order to ensure fully comprehensive controls.

Grani & Partners has a contract in place with the Italian Institute for Toy Safety whereby the Institute is committed to providing ongoing technical support and to carry out rigorous safety tests of all items during each phase of the production process. Accredited by the European Commission, the Institute ascertains whether a toy meets the requirements of directive 88/378/EEC which recognises member states' laws for toy safety.

On the right side of the 'Safe toys' section, there is a circular logo for 'giocattoli sicuri' (safe toys) with the text 'CONFORME ALLA DIRETTIVA 88/378/CEE' and 'CE'.

page abstract:
Toys safety certification and
Istituto Italiano Sicurezza
Giocattoli's partnership assure the
attention for Grani&Partners
gadgets and toys' quality and
safety.

requirements of directive 88/378/EC which reconciles member states' laws for toy safety.

Having passed the analyses and inspections carried out by the Institute, the product is certificated with the mark "Giocattoli Sicuri" ("Safe Toys"), leaving our customers confident that Grani & Partners remains committed to safety within what is a particularly demanding market.

>> For more information please visit the official website: [Italian Institute for Toy Safety](#)

(website excerpt from application file).

There can be no fraud, and it is impossible for Opposer to prove fraud, because nothing was concealed from the examiner and the examiner was or should have been put on notice that Applicant's mark functions as a certification mark. *Neapco Inc. v. Dana Corp.*, 12 USPQ2d 1746, 1748 (TTAB 1989) *citing W. D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749 (CCPA 1967) (finding no fraud as nothing was concealed from the examining attorney; the examining attorney was or should have been put on notice that the mark may also function as a part or model number in view of submission of a specimen which displayed it in such a manner)². There could not have been any fraud here because an examining attorney could not have been misled as to what is apparent from the information submitted by Applicant and the web site specifically discussed by the examiner. Based on this fact, the Board should find that Opposer's fraud claim is unsustainable and dismiss it. *See Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1480 (TTAB 2009) (finding motion for summary judgment moot on fraud claim due to improper and insufficient pleading).

IV. Applicant's Cross-Motion For Sanctions: As A Sanction, Opposer Should Be Required To Meet And Confer And Obtain Leave From The Board Before Filing Any Further Motions

² Applicant notes that these cases have been cited by the board in an unpublished decision for the proposition that an improper specimen of use – a press release rather than an advertisement as a specimen of service mark use – cannot constitute fraud because an examining attorney could not have been misled as to what is apparent on the face of a specimen. This is analogous to the present situation.

Opposer's current two motions are frivolous and harassing and are merely the latest of multiple such filings Opposer has already made in this action.

Opposer began this action by filing a facially deficient Notice of Opposition that purported to state a claim of fraud as well as another inscrutable claims that were not differentiated from each other. However, Opposer did not bother to allege any facts relating the knowledge and intent elements of fraud, i.e. the elements of fraud that make fraud fraud. Applicant was forced to move to dismiss Opposer's initial Notice, which led to Opposer's First Amended Notice, which was also facially deficient, requiring Applicant to prepare another Motion to Dismiss. Finally, on its third try, Opposer filed a Second Amended Notice of Opposition that stated a prima facie case for fraud and Opposer's other claims.

During this long process, Opposer served a complete set of discovery requests on Applicant (Interrogatories, Document Requests, and Requests for Admissions), despite the fact that (1) discovery had not yet opened, (2) the claims, counterclaims, and defenses in the case had not yet been set because a motion to dismiss was outstanding; Applicant had not yet answered Opposer's Second Amended Notice and had not yet asserted its counterclaims; and Opposer had not yet answered any counterclaims, and (3) the parties had not yet conducted a discovery conference (since doing so prior to close of the pleadings would be futile and contrary to the rules of procedure). The rules that state that Opposer's discovery was premature are clear and multiple. *See* TBMP section 401.01 and 401.04.

Applicant's counsel identified to Opposer's counsel the rules and the reasons why Opposer's discovery was premature in several emails and requested that Opposer, as a professional courtesy, simply confirm that it withdraws the discovery requests. Opposer's affirmative withdrawal should have been routine. Instead, Opposer's counsel inexplicably

responded that “we see no reason to withdraw our outstanding discovery” and refused. This forced Applicant to prepare and serve formal responses and objections to Opposer’s discovery requests in order to ensure that no prejudice accrued to Applicant. (Absent Opposer’s affirmative withdraw of the requests, if Applicant would have simply let the response deadline pass without making formal objections regarding timeliness, Opposer would have surely argued, for example, that its admissions were admitted by default.)

Opposer now requests that the Board consider two motions that are, as noted above and in a separate opposition brief, just as frivolous and harassing as its first two notices of opposition and its several discovery requests.

Opposer’s demonstrated willingness to ignore the procedural rules and the elements of its claims have been disruptive to the orderly administration of this proceeding and have been prejudicial to Applicant. As this case is not yet out of the pleadings stage, we can expect additional frivolous, harassing, disruptive, and prejudicial filings from Opposer throughout this proceeding. Accordingly, Applicant requests sanctions against Opposer in the form of an order stating that Opposer may not file any further motions herein without first conferring with Applicant to resolve their differences and then obtaining leave of the Board to so file in a telephone conference between the parties and the Board attorney assigned to this case. *See Int’l Finance Corp. v. Bravo Co.*, 64 USPQ2d 1597, 1604 n.23 (TTAB 2002); TBMP Section 527.03.

Dated: September 06, 2013

Respectfully submitted,

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Certificate of Service

I hereby certify that the within Opposition and Motion for Sanctions was served on this 6th day of September 2013 via U.S. mail, postage prepaid, to the below listed counsel of record for Applicant:

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/Jeffrey Goehring/
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